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**From:** Alan Coyle  
**Sent:** 06 March 2009 11:26  
**To:** Ailie Wilson  
**Subject:** FW: Draft Steve Cardownie Response  
**Attachments:** costs.pdf

Regards

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**From:** Donald McGougan  
**Sent:** 06 March 2009 09:37  
**To:** Alan Coyle  
**Subject:** FW: Draft Steve Cardownie Response

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**From:** Evelyn Mackenzie  
**Sent:** 05 March 2009 16:55  
**To:** Donald McGougan  
**Subject:** RE: Draft Steve Cardownie Response

Thank you. Please find attached a copy of the final version of the letter sent to Councillor Cardownie.

Evelyn MacKenzie  
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**From:** Donald McGougan  
**Sent:** 05 March 2009 09:53  
**To:** Evelyn Mackenzie  
**Subject:** Draft Steve Cardownie Response

Evelyn  
See below for draft response to Councillor Cardownie.

I. The current budgetary position for Tram would suggest that the project can be delivered within the £545m funding available. We have now entered the Dispute Resolution Process with the Infracore contractor which clearly could impact on the final outturn number. At the end of January the cost of work done on the project totalled £215m.

II. If the tram contract was to be terminated costs and liabilities accrued to that point would have to be paid. The latest 2008/09 year end forecast is £233m.

III. Under the terms of the Grant Award, Transport Scotland could request that the Council payback the funding they have provided to date. There are obviously securities and bonds that have been put in place as part of the contract that would allow the Council to recover monies. If we were to consider cancelling the project full discussions would be required with TransportScotland in advance of any such decision being made.

IV. The residual benefits to the City would be, in the case of MUDFA, that the utilities infrastructure along the route would have been brought up to today's standards. In monetary terms there has been £48m spent to date in moving the utilities and updating that infrastructure. In addition the Council will have ownership of various assets and intellectual property as a result of works.

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